

QP Code: 22/PT/9/III (Old)

POST-GRADUATE COURSE

Term End Examination — June, 2022/December, 2022

COMMERCE (Old Syllabus)

**Paper-III : MACROECONOMICS AND INTERNATIONAL
ECONOMIC PROBLEMS**

(Up to January 2021 Enrolment Session)

Time : 2 hours]

[Full Marks : 50

Weightage of Marks : 80%

Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

Use of scientific calculator is strictly prohibited.

Module - I

Answer any *two* of the following questions : $12\frac{1}{2} \times 2 = 25$

1. (a) Write down the basic equations of the classical macroeconomic model.
(b) Show graphically how these equations determine the basic macro variables in the classical system. $5 + 7\frac{1}{2}$
2. (a) Give the definitions of IS and LM curves.
(b) Show how the IS and the LM curves together determine the equilibrium rate of interest and the equilibrium level of income. $(2 + 2) + 8\frac{1}{2}$
3. (a) Explain the trade off between inflation and unemployment as postulated by the short run Phillips Curve.
(b) Briefly describe how this trade off will be vanished in the long run. $8 + 4\frac{1}{2}$

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[Turn over

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4. Write short notes on any *two* questions : 6½ × 2

- (a) Loanable Funds Theory
- (b) Hicksian Theory of Business Cycle
- (c) Stagflation
- (d) Multiple Expansion of Bank Credit.

Module - II

Answer any *two* of the following questions : 12½ × 2 = 25

5. (a) Define GDP, GNP and NDP.
- (b) How will you calculate National Income (NI) in an open economy ?
- (c) Show the relation between GDP and personal disposable income.

(2 × 3) + 4 + 2½

6. (a) Discuss the main functions of the IMF.
- (b) Make a critical evaluation of the performance of the IMF.

8 + 4½

7. (a) Briefly state the organisation and structure of the World Bank.
- (b) Describe the lending policies of the World Bank.

(2½ × 2) + 7½

8. Write short notes on any *two* questions : 6¼ × 2

- (a) Nominal and Real Exchange Rates
- (b) Fixed Exchange Rate System
- (c) Special Drawing Rights (SDR)
- (d) Objectives of the World Bank.